

**Calendar No. 317**

104TH CONGRESS }  
2d Session }

SENATE

{ REPORT  
{ 104-215

EXTENSION OF DEADLINE FOR CONVERSION  
OF THE VESSEL MV "TWIN DRILL"

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REPORT

OF THE

COMMITTEE ON COMMERCE, SCIENCE, AND  
TRANSPORTATION

ON

S. 808



JANUARY 26, 1996.—Ordered to be printed

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SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

ONE HUNDRED FOURTH CONGRESS

SECOND SESSION

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(II)

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### EXTENSION OF DEADLINE FOR CONVERSION OF THE VESSEL MV “TWIN DRILL”

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Mr. PRESSLER, from the Committee on Commerce, Science, and  
Transportation, submitted the following

### REPORT

[To accompany S. 808]

The Committee on Commerce, Science, and Transportation, to which was referred the bill (S. 808) “A bill to extend the deadline for the conversion of the vessel MV *Twin Drill*, and for other purposes”, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

#### PURPOSE OF THE BILL

S. 808, as reported, grants coastwise trading privileges to the vessel MV *Twin Drill*.

#### BACKGROUND AND NEEDS

Subject to certain limited exceptions, the law known as the Jones Act (section 27 of the Merchant Marine Act, 1920) and sections 12106 through 12108 of title 46, U.S. Code, provide that only those vessels built in the United States, continuously documented under the laws of the United States and continuously owned by U.S. citizens may transport merchandise or passengers in the coastwise trade, or engage in the fisheries, of the United States.

Where the facts applicable to a particular vessel suggest the U.S.-built or U.S.-owned requirements have not been satisfied, the Coast Guard may not issue a document granting coastwise trading or fisheries privileges for that vessel unless the requirements of the Jones Act and the title 46 provisions are statutorily waived.

The vessel MV *Twin Drill* is a small waterplane area twin hull (Swath) vessel that was granted a conditional waiver of sections

12106, 12107, and 12108 of title 46, U.S. Code, and section 27 of the Merchant Marine Act, 1920 (46 U.S.C. App. 883) by section 601(d) of Public Law 103-206. The vessel MV *Twin Drill* was granted full coastwise privileges provided that the cost of major conversion work on the vessel in a U.S. shipyard was more than three times the purchase value of the vessel. Furthermore, the owners were required to commit to build a new vessel entirely within a U.S. shipyard. These requirements were to have been completed by June 30, 1995.

Due to a number of delays that have resulted from the discovery of additional work that was necessary because of unknown conditions on the vessel, the project has slowed to the point where the deadline has elapsed before completion. Therefore, the owner is seeking a statutory one-year extension of the time to comply with the conditions of the previously granted waiver.

#### LEGISLATIVE HISTORY

S. 808 was introduced in the Senate on May 16, 1995, by Senator Breaux. In open executive session on July 20, 1995, the Committee considered S. 808, and ordered the legislation reported favorably without objection and without amendment.

#### ESTIMATED COSTS

In accordance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate and Section 403 of the Congressional Budget Act of 1974, the Committee provides the following cost estimate, prepared by the Congressional Budget Office:

U.S. CONGRESS,  
CONGRESSIONAL BUDGET OFFICE,  
*Washington, DC, August 2, 1995.*

Hon. LARRY PRESSLER,  
*Chairman, Committee on Commerce, Science, and Transportation,*  
*U.S. Senate, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has reviewed the following bills, which were ordered reported by the Senate Committee on Commerce, Science, and Transportation on July 20, 1995:

S. 583, a bill to authorize the Secretary of Transportation to issue a certificate of documentation and coastwise trade endorsement for two vessels;

S. 653, a bill to authorize the Secretary of Transportation to issue a certificate of documentation with the appropriate endorsement for employment in the coastwise trade for the vessel *Aura*;

S. 654, a bill to authorize the Secretary of Transportation to issue a certificate of documentation with the appropriate endorsement for employment in the coastwise trade for the vessel *Sunrise*;

S. 655, a bill to authorize the Secretary of Transportation to issue a certificate of documentation with the appropriate endorsement for employment in the coastwise trade for the vessel *Marantha*;

S. 656, a bill to authorize the Secretary of Transportation to issue a certificate of documentation with the appropriate endorsement for employment in the coastwise trade for the vessel *Quietly*;

S. 739, a bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Sisu*, and for other purposes;

S. 763, a bill to authorize the Secretary of Transportation to issue a certificate of documentation and coastwise trade endorsement for the vessel *Evening Star*, and for other purposes;

S. 802, a bill to authorize the Secretary of Transportation to issue a certificate of documentation and coastwise trade endorsement for the vessel *Royal Affaire*;

S. 808, a bill to extend the deadline for the conversion of the vessel MV *Twin Drill*, and for other purposes;

S. 826, a bill to authorize the Secretary of Transportation to issue a certificate of documentation and with appropriate endorsement for employment in the coastwise trade for the vessel *Prime Time*, and for other purposes;

S. 869, a bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Dragonessa*, and for other purposes;

S. 889, a bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Wolf Gang II*, and for other purposes;

S. 911, a bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Sea Mistress*;

S. 975, a bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Jajo*, and for other purposes;

S. 1016, a bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Magic Carpet*;

S. 1017, a bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Chrissy*;

S. 1040, a bill to authorize the Secretary of transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Onrust*;

S. 1041, a bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Explorer*;

S. 1046, a bill to authorize the Secretary of Transportation to issue a certificate of documentation and with appropriate

endorsements for employment in the coastwise trade of the United States for fourteen former United States hovercraft; and

S. 1047, a bill to authorize the Secretary of Transportation to issue a certificate of documentation for employment and coastwise trade endorsements for the vessels *Enchanted Isles* and *Enchanted Seas*.

Enactment of these bills would have no impact on the federal budget or on those of state or local governments. The bills would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Deborah Reis.

Sincerely,

JUNE E. O'NEILL, *Director*.

#### REGULATORY IMPACT STATEMENT

In accordance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee provides the following evaluation of the regulatory impact of the legislation, as reported.

Because S. 808 does not create any new programs, the legislation will have no additional regulatory impact, and will result in no additional reporting requirements. The legislation will have no further effect on the number or types of individuals and businesses regulated, the economic impact of such regulation, the personal privacy of affected individuals, or the paperwork required from such individuals and businesses.

#### SECTION-BY-SECTION ANALYSIS

The bill consists of one section. It amends section 601(d) of the Coast Guard Authorization Act of 1993 (Public Law 103-206, 107 Stat. 2445) to change the deadline for completing the major conversion work on the MV *Twin Drill* from June 30, 1995 to June 30, 1996.

#### CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new material is printed in italic, existing law in which no change is proposed is shown in roman):

#### COAST GUARD AUTHORIZATION ACT OF 1993

#### TITLE VI—DOCUMENTATION OF VESSELS

#### SEC. 601. DOCUMENTATION OF VESSELS.

\* \* \* \* \*

(d) Notwithstanding section 27 of the Merchant Marine Act, 1920 (46 App. U.S.C. 883), the Act of June 19, 1886 (46 App. U.S.C. 289), and section 12106 of title 46, United States Code, the Secretary of Transportation may issue certificates of documentation

with a coastwise endorsement for the vessel MV *Twin Drill* (Panama official number 8536—PEXT—2) if—

(1) the vessel undergoes a major conversion (as defined in section 2101 of title 46, United States Code) in a United States shipyard;

(2) the cost of the major conversion is more than three times the purchase value of the vessel before the major conversion;

(3) the major conversion is completed and the vessel is documented under chapter 121 of title 46, United States Code, with a coastwise endorsement before [June 30, 1995] *June 30, 1996*;

(4) the person documenting the vessel contracts with a United States shipyard to construct an additional vessel of equal or greater capacity within [12 months] *24 months* of the date of enactment of this Act, for delivery within 36 months of the date of such contract; and

(5) the additional vessel is documented under chapter 121 of title 46, United States Code, immediately after it is constructed.

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